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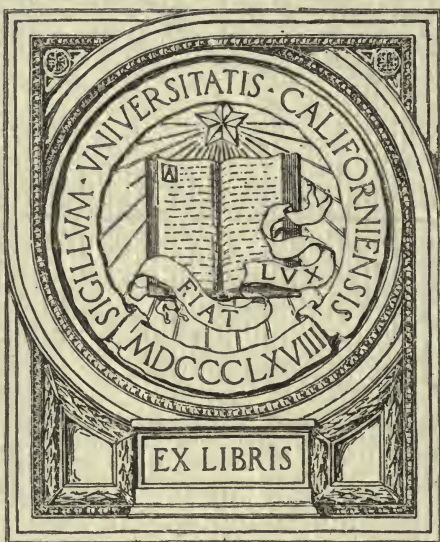
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The Key Route and The Carmen's Union

A PLAIN STATEMENT OF A CONTROVERSY
AFFECTED WITH A VITAL PUBLIC
INTEREST.

Published by the Board of Directors,
SAN FRANCISCO-OAKLAND TERMINAL RAILWAYS
 OAKLAND, CALIFORNIA

October 2, 1915

(For full correspondence between the Company and the Union,
see pages 12 to 31.)

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THE KEY ROUTE AND THE UNION

A Statement by the Company.

To the Public:

The Board of Directors of the San Francisco-Oakland Terminal Railways, appreciating the vital interest of the entire community in the outcome of the pending controversy between the Company and the Carmen's Union (Division No. 192, Amalgamated Association of Street and Electric Railway Employees of America), desires to lay before the public a full statement of the facts, together with all of the correspondence relating to the matter that has passed between the Company and the Union.

In so doing, the Board of Directors has in view a double purpose: first, to avoid confusing the real issue with the inaccurate and misleading statements that have gained currency; and second, to fix the responsibility for any loss or inconvenience that may be suffered either by the public, the Company or the Carmen themselves. As the party most affected in the event the threatened strike occurs, the public is entitled to know the exact situation.

Nature of the Controversy.

The immediate controversy originated in the discharge by the Company of two deckhands formerly employed on its ferryboats—one for neglect of duty and insubordination, the other for using vulgar and profane language in the presence of passengers. The Carmen's Union demanded the reinstatement of these men. This incident, however, has since been relegated to the background, having served its purpose as a pretext for asserting the claim that the existing agreement between the Company and the Union, which through more than seven and one-half years has been interpreted uniformly by both sides as applying only to trainmen and track oilers, covers every class of employees on the Company's roll.

It is this claim which the Union now asks to have submitted to "arbitration." Ostensibly it is a reasonable request, growing out of a minor dispute as to the technical status of the deckhands, but in fact the proposal conceals a demand for such an extension of Union authority over the employees of the Company as to amount practically to "closed shop." For it has been made plain to the Company that if deckhands are allowed to become members of the Union and subject to the agreement originally entered into by the Carmen only, the Union expects to extend its membership to all other classes of employees, including ticket-takers, track laborers, gate-men and even such confidential employees as stenographers, clerks and telephone operators.

In the following discussion of the facts, it will be shown that under the agreement signed in 1908 harmonious relations were maintained until a few months ago; that certain leaders of the Union then became active in promoting an agitation to establish the "closed shop" on the system; that it was demonstrated by the Company how this would be equivalent to amending the existing agreement; that the leaders of the Union thereupon used the case of the deckhands as a pretext for demanding as a right under the agreement substantially the same concession they had previously asked as an amendment; and finally, that they are now asking the Company to surrender to an outside arbitration committee one of its most fundamental rights—its power of contract.

In other words, it will be shown that these leaders of the Union have deliberately provoked the whole controversy in an effort to force from the Company concessions which, if granted, would seriously impair the discipline and efficiency essential to the maintenance of a safe and convenient transportation service. A full understanding of what this demand involves requires a brief review of the relations between the Company, the general body of its employees and the Carmen's Union.

The Agreement With the Union.

The dealings of the Company with the Carmen's Union are based on an agreement entered into on February 29, 1908, or more than seven and one-half years ago. This agreement in terms applies specifically to motormen, conductors, collectors and track-oilers and to no others. With its employees in the general offices, shops and maintenance of way department, and on the ferryboats, the Company has always dealt directly.

For the trainmen and track-oilers named therein, the agreement establishes a wage scale, hours of service, seniority rights and a procedure for the discussion and settlement of all disputes arising between such members of the Union and the Company.

The wage scale is higher than on any traction system of similar character in the United States. Compared with the wages paid by the Los Angeles Railway, the Pacific Electric Railway of Los Angeles and the United Railroads of San Francisco for similar services, the cost to the San Francisco-Oakland Terminal Railways is higher by more than \$200,000 per annum. (See Appendix A, Pages 9 to 11.) From the standpoint of the men, working conditions are equally satisfactory. In the seven and one-half years since the agreement was signed, a faithful observance of its terms has cost the Company approximately \$1,500,000, which was paid in the hope of avoiding the agitation, threats and disturbances which destroy the credit of an enterprise and interfere with a high state of operating efficiency and public service.

Until this year, all matters of dispute have been adjusted according to the procedure outlined in the agreement. During all this time the relations between the Company and the Union have been confined to matters affecting only the trainmen and track-oilers mentioned in the agreement and heretofore no objection has ever been raised by the Union to this practice. As regards

wages and working conditions of its other employees, the Company has pursued the same policy of fairness and liberality that has characterized its attitude towards the Carmen's Union.

The Company is willing to continue this status, but the Union has come forward with the claim that as a right under the agreement it can extend the scope of that contract to include any and all classes of employees. This claim is equivalent to amending the agreement, which the Company is unwilling to do for reasons explained herein. This question alone constitutes the grievance complained of by the Union and is the only matter sought to be arbitrated.

Earlier Negotiations.

The identical question was raised last spring when the Union petitioned the Board of Directors to establish the "closed shop." Although it was manifest that the existing agreement does not provide for the "closed shop," the Union attempted to turn its petition into a "grievance" and on this ground asked for a formal hearing before the Board of Directors.

The Company took the natural position that a demand to amend the agreement was not of the same nature as a dispute arising within its acknowledged scope. The Union, in a letter dated June 30, 1915, then requested an informal conference. (For full correspondence relating to the "closed shop" petition see Appendix B, pages 12 to 16.) The Company granted the informal conference on the express understanding that the discussion was to be "an independent proceeding not governed by any existing agreement."

It is not necessary here to enter into a discussion of the principles involved in the "closed shop." The matter was given a full hearing by the Board of Directors on July 16, and the request to amend the existing agreement was denied.

The Case of the Deckhands.

The failure of the "closed shop" petition on direct appeal then led the leaders of the Union to seek the same end by other means. When the Company early in August discharged two deckhands for cause, the Union came forward with a demand for a conference on the subject, on the ground that the said deckhands had become members of their organization and were therefore included within the scope of the agreement. (For full correspondence on this matter see Appendix C, pages 17 to 31.)

Upon the appeal of this matter to the Board of Directors the President of the Company sent a reply on August 25, advising the Grievance Committee of the Union that the two deckhands had been discharged for adequate cause and calling attention to the fact that the case did not come within the agreement.

On September 11 the Grievance Committee wrote to the Company stating that unless the men were reinstated in their former positions with full pay within seventy-two hours, a midnight meeting would be called "for the purpose of definitely settling the question of members of the Association being discriminated

against." The President of the company replied at once, declaring again that the men had not been discriminated against, but had been discharged for offenses warranting such action and they could not therefore be reinstated.

A meeting of the Union was held early in the morning of September 18 and on the issue as joined, i. e., the demand for the reinstatement of the discharged deckhands and refusal by the Company, a strike vote was taken. No other grievance was brought before that meeting and no other issue than the case of the deckhands was involved, according to the authorized account of the meeting published in "The Tri-City Labor Review" and signed by the members of the Grievance Committee. This authorized account contained the following paragraph:

Right here, the men want it distinctly understood there has been no demand made for an increase in wages or change in working conditions, nor was any such changes contemplated. The matter hinges entirely upon the unjust discharge of these two men for joining the Union.

The answer of the Company on this issue was to invite the members of the Grievance Committee to come to the office of the General Manager and inspect for themselves the records of the case on file there, showing that the deckhands had been discharged for adequate cause.

New Issues Raised.

The next letter from the Grievance Committee, dated September 18, contained vague references to plural "unadjusted grievances," which the committee intimated had been pending for a long time and which it said the Company, in violation of its agreement, refused to discuss with the Union. This letter stated that the members of the Union considered the agreement abrogated by the actions of the Company and seemed to give formal notification that they would no longer be bound thereby. The President of the Company wrote immediately to inquire whether notice of cancellation was intended by the Grievance Committee and received a reply, dated September 22, stating that notice of cancellation had not been given.

These letters were so confusing and ambiguous, both with respect to the nature of the "grievances" complained of and the status of the agreement, that the Company on September 24 replied with a letter in which the whole controversy was analyzed and in which it was shown (1) that the only complaint of the Union was based on the case of the deckhands and (2) that this case did not come within the scope of the agreement.

Present Position of the Union.

On September 28 the Grievance Committee of the Union was received by President Weeks and Director Brobeck in an informal conference to discuss the whole situation. The position of the Company was definitely stated, but the officers promised to give full consideration to any matter that might be submitted by the

Union in writing. There followed under the same date a written request that the Company "submit to arbitration the proposition as to whether the agreement dated Oakland, February 29, 1908, includes employees other than the track-oilers and platform men."

The demand of the Union is not, as it appears, simply for an interpretation of the existing agreement. That agreement has already been interpreted for more than seven and one-half years by the best of authorities—the authority of custom and usage. What is demanded is a new agreement, much broader in its scope than the old, and this is sought to be forced upon the Company by indirect means.

The real purpose of the leaders of the Union was brought out in the conference between members of the Grievance Committee and officers of the Company on September 28, as shown by the following excerpts from the stenographic report:

MR. BOWBEER (for the Grievance Committee)—The policy of the Amalgamated Association is to take in all employees that are not claimed by other crafts. If we have not seen fit to extend and embrace these other employees prior to this time it has just been a matter of opinion of the members of the organization, but some months ago a matter was brought to the attention of the organization that the shopmen were not organized and that the deckhands on the boats were not organized, and that the clerks and ticket-takers were not organized and the order was given by the division to see if we could not get these men into the organization, which has been undertaken.

MR. WEEKS (for the Company)—And so you expect to get the clerks and stenographers and telephone operators in, too?

MR. BOWBEER—That certainly would be our intention to take in every employee, that is the policy of the Amalgamated Association, to take every employee that is not claimed by some other organization as craftsmen in that other organization.

The first intimation that this was the purpose and intention of the Union reached the Company when the case of the deckhands was appealed as a "grievance" coming within the scope of the agreement. It has since been learned that for several months past the Union has been quietly extending its membership among the general employees. The officers of the Company were not consulted by the leaders of the Union, although the matter was plainly of vital importance.

Position of the Company.

The Company stands squarely on the agreement—that is, for the status that has existed for more than seven and one-half years. It holds that the inclusion of other employees than track-oilers and platform men within the agreement is not only illogical and a menace to discipline and efficiency, but is wholly unnecessary

from the standpoint of the Union trainmen, who already enjoy the fullest protection in all matters affecting their interests.

The common factors in labor disputes of "hostility to unionism" and "rich corporation" are entirely lacking here. A Company that has stood faithfully by an agreement providing favorable working conditions and the most liberal wage scale in the country can hardly be called hostile to the Union that enjoys the benefits of such a contract.

As for the condition of the Company, it is well known that the San Francisco-Oakland Terminal Railways is in serious financial straits, and that the present Board of Directors is composed of men who are not the owners of the property, but are acting as trustees in an effort to bring about a financial rehabilitation. No dividend has been paid by the Company for more than three years. Instead, all surplus earnings have been used to defray the cost of extending and improving the service for the convenience of the public, and for street repairs in the cities through which the system is operated. Eventually it is hoped to effect a reorganization with a minimum of loss to the bona fide investors who have purchased the Company's bonds or have loaned the money needed to supply additional facilities demanded by the public.

The officers and directors of the Company have not refused and do not refuse to discuss with the employees or their representatives, or to arbitrate in case discussion fails, any proper grievances. In their capacity as trustees, however, they cannot consent under any conditions to abdicate their authority in favor of an outside arbitration committee or anyone else not familiar with the property and the problems connected with its management. Nor can they amend their agreement with the Union in any way that involves the sacrifice of rights necessary to the maintenance of a safe and efficient public service.

By order of the Board of Directors,

SAN FRANCISCO-OAKLAND TERMINAL RAILWAYS.

Oakland, California.

October 2, 1915.

APPENDIX A

TABLE I.
Comparative Wage Schedules, Platform Men
(On Traction Lines in Pacific Coast Cities)

	1st 6 mo.	2nd 6 mo.	2nd year	3rd year	4th year	5th year	6th year	7th year	8th year	9th year	10th year	11th year
Oakland—												
Traction Division...	\$.30	\$.30	\$.31	\$.32	\$.33	\$.34	\$.35	\$.36	\$.37	\$.38	\$.39	\$.40
San Francisco—												
United Railroads...	.25	.26	.28	.29	.30	.31	.32					
Los Angeles—												
Los Angeles Ry.....	.25	.25	.26	.27	.28	.29	.30					
San Diego—												
San Diego Elec. Ry.	.27	.27	.28	.29	.30	.33						
Fresno	.25	.25	.26	.27	.28	.29	.30					
Stockton	.25	.25	.26	.27	.28	.29	.30					
Seattle	.25	.26	.27	.28	.29	.30	.31	.32				
Portland	.25	.26	.27	.28	.29	.30	.31					
Spokane	.26	.27	.28	.30 to 13th year.	.29	.30	.31	13th year \$.31. After 15 years \$.33.				
Vancouver, B. C.....	.27	.27	.29	.31	.33	.35						

San Francisco—Municipal lines—\$3 per day for an 8-hour day.

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TABLE II.
Comparative Wage Schedules, Platform Men
(Interurban Lines in Pacific Coast Cities)

	1st 6 mo.	2nd 6 mo.	2nd year	3rd year	4th year	5th year	6th year	7th year	8th year	9th year	10th year	11th year
Oakland—												
Key Division	\$.38	\$.38	\$.40	\$.42								
Los Angeles—												
Pacific Electric Ry..	.25	.25	.26	.27	\$.28	\$.29	\$.30					
Northern Electric.....	.30	.31	{ .31 .32	{ .32 .33	{ .33 .34	.34	.35					
O. A. & E. Ry.....	.35	.26	.28	.29½	.31	.32½	.34½					
Portland Railway	.25											
Spokane, Wash.	.35	.35										
Visalia Electric	.37	.37										
Walla Walla Ry.....	.23	.24	.25	.26	.27	.28						

TABLE III.
Comparative Wage Schedules, Platform Men
(On Traction Lines in Cities of Comparable Size)

Per Hour:												
	1st 6 mo.	2nd 6 mo.	2nd year	3rd year	4th year	5th year	6th year	7th year	8th year	9th year	10th year	11th year
Oakland	\$.30	\$.30	\$.31	\$.32	\$.33	\$.34	\$.35	\$.36	\$.37	\$.38	\$.39	\$.40
Buffalo, N. Y.	.23	.23	.24	.25	.27	.28	.29	.29	.29	.29	.29	.30
Cincinnati, O.	.20	.21	.23	.23	.24	.24	.25	.25	.26	.27	thereafter	thereafter
Cleveland, O.	.27	.27	.30	thereafter	thereafter	thereafter	thereafter	thereafter	thereafter	thereafter	thereafter	thereafter
Indianapolis, Ind.	.21	.21	.23	.24	.25	.26	.27	thereafter	thereafter	thereafter	thereafter	thereafter
Philadelphia, Pa.	.25	.25	.26	.27	.28	.29	.30	thereafter	thereafter	thereafter	thereafter	thereafter
Portland, Or.	.25	.26	.27	.28	.29	.30	.31	thereafter	thereafter	thereafter	thereafter	thereafter
Providence, R. I.	.23	.24½	.26	.27	.28½	thereafter	thereafter	thereafter	thereafter	thereafter	thereafter	thereafter
Rochester, N. Y.	.24	.26	.28	thereafter	thereafter	thereafter	thereafter	thereafter	thereafter	thereafter	thereafter	thereafter
Seattle, Wash.	.25	.26	.27	.28	.29	.30	.31	.31	.31	.32	thereafter	thereafter

APPENDIX B

(Correspondence Relating to "Closed Shop" Petition.)

LETTER I.

AMALGAMATED ASSOCIATION OF
STREET AND ELECTRIC RAILWAY EMPLOYEES
OF AMERICA.

Oakland, Cal.,
April 12, 1915.

The Honorable Board of Directors,
San Francisco-Oakland Terminal Ry. Co.
Gentlemen:

The membership of this Association have for sometime past been of the opinion that all employees of the S. F. O. T. R. Co. should become members of this Association.

The Executive Committee of this Association have been instructed to take up the subject matter with the officials of your Company, and see if some agreement can be reached whereby in future all employees of the Company would have to affiliate with this Association.

The Executive Committee of this Association have waited upon Mr. Potter, Mr. Harris and Mr. Alberger but without reaching any definite results.

Acting under Sec. No. 1 of the agreement between your Company and the Union the Executive Committee requests a conference with your honorable board to take up the matter.

Respectfully yours,

R. J. SCOTT,
Business Agent.

LETTER II.

SAN FRANCISCO-OAKLAND TERMINAL RAILWAYS.

Oakland, Cal.,
April 22, 1915.

Mr. R. J. Scott, Business Agent,
Amalgamated Assn. of Street and Electric Railway Employees,
Division 192,
387 Twelfth Street,
Oakland, California.

Dear Sir:

This will acknowledge receipt of your letter of April 12th.

Our Board has decided that the subject referred to in your letter does not properly come under the provisions of Section 1 of the agreement, and therefore cannot be considered from that viewpoint.

Yours very truly,

F. W. FROST,
Secretary.

LETTER III.

AMALGAMATED ASSOCIATION OF
STREET AND ELECTRIC RAILWAY EMPLOYEES.

Oakland, Cal., May 29th, 1915.

The Honorable Board of Directors,
S. F. O. T. R. R. Co., City.

Dear Sirs:

Replying to your letter re our request for a meeting with you

to take up the matter of a Closed-Shop, I wish to state that after reviewing your letter we are of the opinion that this question does constitute a grievance.

We contend that according to Section 5 (five) of the agreement which governs the conditions on this R. R., that such agreement is made between the Company and the Carmen's Union, there being no mention made therein of any but "union men," therefore all others employed on the platforms of your cars are infringing upon our rights.

A grievance in our estimation is a wrong suffered, or a cause of sorrow.

You are aware that our working with non-union men is detrimental to both our organization as well as to the Company, and on those grounds we believe we have ample cause for grievance, and therefore demand a hearing from Your Honorable Board within the next seven days.

Respectfully yours,
LOUIS LEBOWSKY, Secretary-Treas.—
Business-agt. Pro Tem.

LETTER IV.

SAN FRANCISCO-OAKLAND TERMINAL RAILWAYS.

June 15, 1915.

Amalgamated Assn. of Street & Electric Railway Emp.,
Division No. 192,
387 12th Street, Oakland, California.
Gentlemen:

Your communication of May 29th has been read to the members of the Board of Directors of this company, who have instructed me to advise you as follows:

The members of the Board believe in the principle that any of the employees of the Company are entitled to a full hearing before the proper officers, or, if necessary, before the Board itself whenever they have a legitimate grievance.

In this case, however, your demand refers to a specific document, viz.: the agreement of February 29, 1908, between the Oakland Traction Company and your Association and the only question at issue is therefore the proper interpretation of that document. The matter of closed shop is a fundamental one with which said agreement did not assume to deal. This has been clearly recognized during the seven years or more during which this agreement has been in force.

The members of the Board therefore fully sustain the position taken by the General Manager of the Company and cannot take or countenance any action based on the assumption that a demand for "closed shop" can be considered a grievance under the terms of the agreement of February 29, 1908.

Yours very truly,

F. W. FROST,
Secretary.

LETTER V.

AMALGAMATED ASSOCIATION OF STREET AND ELECTRIC RAILWAY EMPLOYEES OF AMERICA.

Oakland, Cal., June 16th, 1915.

The Honorable Board of Directors,
S. F.-O. T. R. R. Co., City.

Dear Sirs:

At a specially-called meeting held by the above Division yes-

terday I was instructed to reply to your letter of the 15th inst. re the question of a closed shop.

This Division feels and contends that they **have** a just cause to demand a conference with Your Honorable Board, and hereby gives you 24 hours that unless you agree to a meeting within that time a midnight meeting of all members of this Division will be called to decide upon further action.

Anticipating a favorable reply, I am,

Respectfully yours,

R. J. SCOTT, Business Agent-Sec.-Treas.

LETTER VI.

SAN FRANCISCO-OAKLAND TERMINAL RAILWAYS.

June 18, 1915. 13-294

Mr. R. J. Scott, Sec.-Treas.

Amalgamated Assn. of Street and Electric Ry. Emp.,

Division No. 192.

Oakland, California.

Dear Sir:

Your further communication of the 16th inst. has been carefully considered.

It is the understanding of the members of the Board of Directors that your Association considers the agreement of February 29, 1908, in full force and effect and that you are proceeding under the terms of that agreement. Based on this understanding, and without the slightest desire to be technical in the matter, the members of the Board do not see how they can reach any other conclusion than that stated in my letter of the 15th inst., to which I desire to request your careful consideration.

Supplementary to the letter, however, it may not be amiss to call your attention to the second clause of Section 6 of the agreement above referred to, providing that "there will be no discrimination against any employee on account of his affiliations with the union." This provision guaranteeing equality of treatment by the company to employees who are members of the Union, as compared with those who are not, necessarily presupposes an "open shop" operation, as does the entire structure and history of the agreement as set forth in my letter of the 15th inst.

Yours very truly,

F. W. FROST,
Secretary.

LETTER VII.

AMALGAMATED ASSOCIATION OF STREET AND ELECTRIC RAILWAY EMPLOYEES OF AMERICA. DIVISION 192.

Oakland, Cal., June 30th, 1915.

The Honorable Board of Directors,

S. F.-O. T. R. R., City.

Gentlemen:

Please find herewith enclosed a copy of the Resolutions unanimously adopted at the recent midnight meeting, at which almost all the members of Division 192 were present.

We regret to note that your Honorable Board and this Division seem to have come to a misunderstanding, but we believe everything would be amiably adjusted after a plain and frank discussion

between your Honorable Board and the Committee from Div. 192.

It is our most earnest desire to proceed in this matter in a manner that will not engender any feeling between your Honorable Board and this Division.

We only ask of you, that which we or you would freely grant to anyone in private life, viz., a personal discussion of the issue involved, and we think we are justified in believing that your Honorable Board in its desire to deal fair and give a square deal to all concerned, will grant to us, as the representatives of your employees, that which is right and just.

Trusting that you are as anxious of avoiding friction as we are, and anticipating an early reply, I remain,

Most sincerely,

R. J. SCOTT,

Chairman Closed Shop Committee.

(Enclosure, Letter VII.)

AMALGAMATED ASSOCIATION OF
STREET AND ELECTRIC RAILWAY EMPLOYEES
OF AMERICA.
DIVISION 192.

Oakland, Cal., June 30th, 1915.

To the Honorable Board of Directors of the S. F. O. T. Ry. Co.

Following is the resolution adopted by Div. No. 192, A. A. of S. & E. Ry. of A., at our midnight meeting held Monday A. M., June 21st, 1915. Hoping you will find no technical errors in same. It is as follows:

Resolved, That Local Div. No. 192, A. A. of S. & E. Ry. of A., instruct the special committee on the matter of securing a closed shop for this Div., to proceed, and be it further

Resolved, That the committee be also instructed to employ any means legal and right, within the power of this Div. to secure the closed shop, and be it further

Resolved, That the committee be instructed not to report back to this Division until they have exhausted every means and effort at their command to secure a favorable conclusion of their mission, and be it further

Resolved, That the committee on finding that their efforts are unsuccessful, will recommend to this Division what further action should be taken.

Respectfully submitted,

R. J. SCOTT, Chairman.

BEN BOWBEER.

T. G. DUNCAN.

N. H. ROBOTHAN.

W. G. MEYER.

L. LEBOWSKY.

L. F. LAYTHAM.

R. H. FURMAN.

J. C. LEBER.

LETTER VIII.

SAN FRANCISCO-OAKLAND TERMINAL RAILWAYS.

Oakland, Cal., July 9, 1915.

Mr. R. J. Scott,

Secretary Committee,

Amalgamated Ass'n of Street & Electric Ry. Employees,

Division No. 192,

Oakland, California.

Dear Sir:

Your letter of June 30th, together with copy of resolutions which you state were adopted at a meeting of your Association on

June 21st have been communicated to the Directors of this Company. As stated in my letter of June 15th

"The members of the Board believe in the principle that any of the employees of the Company are entitled to a full hearing before the proper officers, or, if necessary, before the Board itself whenever they have a legitimate grievance."

At the same time, when a demand is made as of right on the basis of a specific agreement, as was made in your former communications, based on our agreement of February 29th, 1908, the members of the Board do not consider it a technicality but rather a necessary and proper procedure to insist that any proceedings claimed to be taken on the basis of such an agreement be strictly in accordance with the terms of said agreement, as was stated in said letter of June 15th and in my subsequent letter of June 18th.

It is now the understanding of the Board that a Committee, of which you are Chairman, appointed by the employees, desires to appear before the Board as an independent proceeding not governed by any existing agreement and to present certain matters deemed to be grievances by the employees represented by your Committee. Under these conditions, the Board will accord your Committee a hearing next Friday afternoon, July 16th, at 3:45 P. M.

Yours very truly,

F. W. FROST,
Secretary.

APPENDIX C

(Correspondence Relating to Present Controversy.)

LETTER I.

AMALGAMATED ASSOCIATION OF STREET AND ELECTRIC RAILWAY EMPLOYEES OF AMERICA.

Oakland, Cal., Aug. 19, 1915.

To the honorable board of Directors,
San Francisco Oakland Terminal Rys. Co.
Gentlemen:

We the undersigned Grievance Committee of the Key Division of the San Francisco Oakland Terminal Rys. Co. request that your honorable body grant us a conference at an early a date as possible, in order that we may discuss matters with your honorable board, relative to certain employees of the San Francisco Oakland Terminal Rys. Co. known as deck hands who have recently been discharged from the above service for reasons which as stated by officials of the above mentioned Company are considered by Div. 192 to be in violation of Section No. 2 and No. 6 of agreement, between the above mentioned company and Div. 192 of the A. A. of S. & E. R. E. of A. wherein it is explicitly stated any member of the Union and any Employee.

Trusting you will favor us with an early reply granting the above request for a conference.

We are, gentlemen,
Yours respectfully,

Chairman
ROBERT BENDLE.

LETTER II.

SAN FRANCISCO-OAKLAND TERMINAL RAILWAYS.

Oakland, Cal., August 25, 1915.

Mr. Robert Bendle, Chairman,
Grievance Committee, Division No. 192,
Amalgamated Assn. of Street & Electric Ry. Employees,
387 Twelfth Street, Oakland, California.
Dear Sir:

Your letter of the 19th inst., addressed to the Board of Directors of this Company, referring to the recent discharge of certain deckhands, was read at their meeting of the 20th inst. and referred to me for investigation and reply.

It is the settled policy of this Company and its officers to treat all employees fairly and liberally and without discrimination irrespective of any agreement. The deckhands you refer to in your communication were discharged for adequate causes and the reason for their discharge was frankly stated to representatives of your Association by Captain Rasmussen, who has jurisdiction in the matter.

This is entirely apart from the fact that it appears both from historical testimony and from a careful study of the context of the agreement of February 29, 1908, between your Association and this Company, that said agreement is one between the trainmen employed by the Company and the Company and that, with the exception of track oilers specifically referred to in the agreement, it is not intended to and does not include in its provisions employees other than trainmen.

You will recall the fact that your Association recently appealed to the Board of Directors of this Company on a matter of alleged grievance. At that time the Board, while of the opinion that no practical basis for a hearing existed, because of repeated requests and entirely as a matter of courtesy to your Association, arranged for a hearing. The result was some three hours of miscellaneous discussion to no particular purpose.

The members of the present Board of Directors of this Company are public spirited citizens, who at considerable personal sacrifice and without hope of pecuniary reward, are endeavoring to work the company out of its present difficulties.

Under all of the above circumstances, I believe on consideration you will agree with me that it would be undesirable, unnecessary and improper to take up the time of the Board in a discussion of the matter referred to in yours of the 19th.

Yours very truly,

G. K. WEEKS,
President.

LETTER III.

AMALGAMATED ASSOCIATION OF STREET AND ELECTRIC RAILWAY EMPLOYEES OF AMERICA.

Division 192 Oakland-Richmond.

Oakland, Cal., August 29, 1915.

Mr. G. K. Weeks,
President, San Francisco-Oakland
Terminal Railways.

Dear Sir:

In answer to your letter of the 25th inst. in regards to the dismissal of two deckhands who are members of this Union.

The Committee that has the matter in charge wishes to say that Captain Rasmusen did not give them satisfactory reasons why those two members were discharged. In one case under discussion, Captain Rasmusen said the party was discharged for engaging a fellow employee in an argument, using loud and profane language, this the party so charged positively denies. The Committee is of the opinion that they can produce sufficient evidence to prove the charge false.

The other case Captain Rasmusen charges the party with disobedience. This the party so charged denies. We believe we can prove this charge false.

In fact the Committee believes that these two members have been discriminated against because they took a leading part in bringing the deckhands into the Union.

One of the fundamental principles of any organization is the protection of its members; especially is this so of a labor organization whose members are subject to discrimination by the employers or their agents on account of their affiliation with the Union.

Assuring you that we respect and appreciate your patience with us and that it is not the desire of this organization to obtrude upon the time and good nature of your Honorable Board of Directors, but our agreement provides for this course of action.

Assuring you further of our intention to exhaust every means possible to settle our difference by peaceful methods, therefore we are willing to, if you so direct, take this matter up again with Captain Rasmusen.

Thanking you for the prompt reply to our first communication,

we would deem it a great favor if you can give us an answer to this letter by Wednesday evening, September 1st, 1915, 8:00 o'clock P. M., as our Executive Board meets on that date and we would like to be able to give them a report on this matter.

We are, yours respectfully,
 KEY DIVISION GRIEVANCE COMMITTEE.
 ROBERT BENDLE,
 Chairman.

LETTER IV.

AMALGAMATED ASSOCIATION OF STREET AND ELECTRIC RAILWAY EMPLOYEES OF AMERICA.

Division 192
 Oakland-Richmond.

Oakland, Cal, Sept. 11, 1915.

Mr. Geo. H. Harris,
 General Superintendent,
 San Francisco-Oakland Terminal
 Railways Co.

Dear Sir: The Key Grievance Committee having exhausted every means at their command to have the matter concerning the dismissal of certain members of Division No. 192 (known in our agreement as the Association), known as deckhands considered by the proper officials of the Company and having failed in this can see but one other course to pursue.

It is our decision that if these two members known as deckhands, namely, John Gunnerson and James Knowles, are not reinstated to their former positions with full pay for time lost on account of such dismissal within seventy-two (72) hours dating from the receipt of this letter, a midnight meeting will be called for the purpose of definitely settling the question of members of the Association being discriminated against.

Respectfully yours,
 KEY DIVISION GRIEVANCE COMMITTEE.
 (Signed) ROBERT BENDLE,
 Chairman,
 (Signed) R. J. SCOTT.

LETTER V.

SAN FRANCISCO-OAKLAND TERMINAL RAILWAYS.

Oakland, Cal., September 13, 1915.

Mr. Robert Bendle, Chairman,
 Grievance Committee, Division No. 192,
 Amalgamated Ass'n of Street & Electric Ry. Employees,
 387 Twelfth Street, Oakland, California.

Dear Sir:

Acknowledging your letter of September 11th: I cannot accede to your request that the deckhands, John Gunnerson and James Knowles, be reinstated to their former position with full pay for time lost, for the reason that the offenses of the deckhands referred to warranted their dismissal.

I furthermore beg to advise you there is no discrimination shown by this company against the members of your Association.

Yours truly,

G. K. WEEKS,
 President.

LETTER VI.
AMALGAMATED ASSOCIATION OF
STREET AND ELECTRIC RAILWAY EMPLOYEES
OF AMERICA.

Division 192.
Oakland-Richmond.

Oakland, Cal., Sept. 18th, 1915.

San Francisco Oakland Terminal Railway Company.

Gentlemen:

We have the honor of representing Local Division No. 192, Amalgamated Association of Street and Electric Railway Employees of America and for and in behalf of Local Division No. 192, and employees thereof, this report, in conformity with the Laws and rules of our Association, respectfully submit to the San Francisco Oakland Terminal Rys. Co. (a corporation) the following statement of facts for your consideration.

FIRST. There are now, and for some time past, have been grievances existing between the employees of our Association and the San Francisco Oakland Terminal Rys. Co. and with the hope of settling all of said grievances and removing their causes and in a spirit of fairness—officers of our Association have sought to meet with the proper officers of the Company for the sole purpose of presenting all of the facts which were the direct cause of said grievances, but upon each occasion the officers of our Association were refused a hearing; as a result of our inability to get a proper hearing, or any hearing, it became the duty of the officers of this Association to report and refer all the facts constituting the grievances to the members of our Association.

That condition having arisen, a general meeting of the members of our Association was called for Friday at the hour of two thirty A. M., Sept. 17th, 1915; and after due care and deliberation, and all the facts being reported and considered—the undersigned officers of the Association were instructed to notify the San Francisco Oakland Terminal Rys. Co. that it is the opinion of our Association represented in a general meeting that the contract, or purported contract heretofore existing by and between our Association and the San Francisco Oakland Terminal Rys. Co. has been broken and entirely set aside by your Company,—and that the same is no longer binding upon either officers or the members of our Association.

The facts constituting the deliberate breaking of said contract or agreement heretofore made and entered into by our Association and your Company are fundamental and they arose out of acts of your Company; and all of said acts both of commission and omission gave warrant for the resolutions passed by our members at the meeting held on Friday last; and therefore, it is now incumbent upon the undersigned, and it is their sole purpose in writing this letter to notify the San Francisco Oakland Terminal Rys. Co., a corporation, of the said action taken by the members of our Association and particularly to notify the Company that the agreement or contract made and entered into on the 29th day of February, 1908, is no longer binding upon either the officers or the members of our Association.

Kindly take notice also that such actions may hereafter be taken will be entirely measured and controlled by the Laws and rules of the Amalgamated Association of Street and Electric Railways of America.

But in their behalf and at this time the Union by its proper officers respectfully suggests that the Association is now as at all times heretofore willing and anxious to meet with the officers of the Company with a view of finally adjusting any and all grievances which the members of the Union have against your Company.

Respectfully submitted on behalf of the Association by order of the members in a general meeting and signed as follows respectfully.

BEN BOWBEER,
8th Vice President.

ROBERT BENDLE,
Chairman.

R. J. SCOTT,
Business Agent.

LETTER VII.

SAN FRANCISCO-OAKLAND TERMINAL RAILWAYS.

Oakland, Cal., September 20, 1915.

Mr. L. Lebowsky, President,
Amalgamated Association of
Street and Electric Railway Employees
of America. Division No. 192, 387 Twelfth Street,
Oakland, California.

Dear Sir:

Mr. George H. Harris, of this Company, received a communication on the stationery of your Association, dated September 18, 1915, and signed "Ben Bowbeer, 8th Vice President, Robert Bendle, Chairman, R. J. Scott, Business Agent," wherein it is stated, among other things, that:

"It is incumbent upon the undersigned and it is their sole purpose in writing this letter to notify the San Francisco-Oakland Terminal Rys. Co., a corporation, of the said action taken by the members of our association and particularly to notify the company that the agreement or contract made and entered into on the 29th day of February, 1908, is no longer binding upon either the officers or the members of our Association."

I am writing you at this time to inquire whether this letter was intended by your Association to be a notice of cancellation of the contract entered into under date of February 29, 1908, between Oakland Traction Company, a predecessor corporation of the San Francisco-Oakland Terminal Railways, and Amalgamated Association of Street and Electric Railway Employees of America, Division 192.

Will you please reply to me as President of this Company, advising me as to exactly what action, if any, your Association has taken in regard to the cancellation of the above mentioned agreement.

Yours very truly,

G. K. WEEKS,
President.

LETTER VIII.
AMALGAMATED ASSOCIATION OF
STREET AND ELECTRIC RAILWAY EMPLOYEES
OF AMERICA.

Division 192.
Oakland-Richmond.

Oakland, Sept. 22, 1915.

Mr. G. K. Weeks, President,
San Francisco-Oakland Terminal Railways,
Oakland, California.

Dear Sir:

In reply to your favor of Sept. 20th, 1915, which was addressed to Mr. Lebowsky, has been referred to this committee for reply.

Answering particularly as to paragraph at the bottom of page one, we have to assure you that the Union is still of the opinion that your Company has heretofore broken the contract or agreement made and entered into by and between our Union and your Company on February 29th, 1908.

It has been the hope of the officers and the Union to present to you the evidence of the specific cases wherein your Company has deliberately broken the contract; and we have also sought to have all particulars in issue submitted to a proper body, or to be the subject of a mutual discussion between your officers and the officers of the Union—but to the present time we have been unable to reach that happy conclusion. We beg to assure you that the position of the Union is very plain and simple and it may be summarized as follows, to-wit:—Our Union has from the beginning adhered to every article of the agreement and performed all of its obligations in good faith thereunder; when acts which were in violation of the contract, and officers or agents of your Company have threatened to set aside and annul the contract—the officers of the Union have sought interviews with the hope of adjusting the differences and that spirit still abides with the officers of the Union and the men; but it cannot be, as you will readily perceive, that the contract can be in full force and effect and at the same time the terms of the contract to be totally set aside and ignored by one of the parties; that would be a one-sided or unilateral contract; that might mean that whenever the contract would be to the benefit of the Company it would be adhered to, but the moment that it would be against the Company, to be either set aside or ignored.

Please be advised that at no time has this Union sought to break the contract; it has specifically pointed out the reasons wherein and whereby the officers of the Company have nullified and set aside the contract; and the Union has offered to meet with the officers of the Company for the purpose of adjusting any differences and in every sense living fully up to the contract as made on February 29th, 1908.

The contract itself is a contract subject to interpretation, and the parties to it are entitled to present their views and arguments as to its infractions in case such allegations are made, and that is the attitude of the Union; we insist that the Company has ignored the contract; that it has not fulfilled its duty under it, and therefore, to repeat again, the body of the Union met in assembly and have taken this view of it; that is, the members of the Union understand that the contract is not being fulfilled by the Company and it is for the purpose of protesting that this and other letters have been written; that this letter is being written; that the meet-

ing was called; and it is for the purpose of arranging and meeting the objections which the Union makes that a conference between the proper officers of the Union and the Company has been heretofore requested.

While little attention necessarily may be given to the public press, nevertheless, it is at least given out that our Union has placed all of its objections before the Company, and without waiting for an answer, has practically arranged to abrogate and quit as a body the employment of the Company. This is entirely erroneous. Whatever might be the final result, the purpose of this letter and others has been to meet the Company with a view of adjusting all of the differences, and have the same amicably settled.

If specifically you desire an answer or affirmation that this Union has abrogated their contract, the undersigned have the honor of suggesting that they have never taken such a position and shall not, unless they are forced to by circumstances entirely outside of their control.

From the first, they have adhered to the contract; they have performed the arduous labors required by it; they have done everything to keep good faith with the Company and preserve the confidence of the public, and this letter is not written for the purpose of in any wise changing the situation as affected by the contract, but rather to insist again upon being heard in a proper way with a view of settling the differences which have arisen.

It goes without saying, therefore, that if the contract is to be broken, it will be a gratuitous act upon the part of the Company and in no wise be aided, or abetted, or countenanced by the officers of the Union. The fact that we have protested against certain things which have been done which are contrary to the letter and spirit of the contract can in no wise be held that we, as a Union, have abrogated or set aside or relinquished our rights under the contract.

Trusting that this letter will fully advise you as to our attitude, and that the officers of your Company may be willing to meet us in a spirit of fairness to the end that the differences may be speedily settled, we have the honor of remaining,

Yours sincerely,

KEY DIVISION GRIEVANCE COMMITTEE.

ROBERT BENDLE,

Chairman.

BEN BOWBEER,

8th Vice Pres.

LEE F. LAYTHAM,

R. J. SCOTT,

Secretary-Treasurer and Business Agent, Division No. 192.

P. S. Ben Bowbeer has been appointed to represent the Amalgamated Association of Street and Electric Railway Employees of America in this controversy.

LETTER IX.

SAN FRANCISCO-OAKLAND TERMINAL RAILWAYS.

Oakland, California, September 24, 1915.

Key Division Grievance Committee,
Amalgamated Association of Street and
Electric Railway Employees, Division No. 192,
Mr. Robert Bendle, Chairman,
Oakland, California.
Gentlemen:

Your letter dated September 22nd has been received and has been given careful consideration.

It is ambiguous and confusing on two subjects vital to this controversy; first, with respect to your view of the present status of the agreement between the Company and your Association; and second, as to the nature of the "unadjusted grievances" complained of.

The first of these ambiguities arose out of your letter of September 18th, wherein you gave notice of the termination of the agreement. We replied at once to President Lebowsky, of your Association, asking if a notice of cancellation was intended. The reply received on September 22nd, although not couched in specific language, seems to indicate that cancellation was not your purpose.

In order that you may appreciate our perplexity, the contradictory statements from your two letters are quoted below in parallel columns:

Letter of Committee dated September 18, 1915.

"It is now incumbent upon the undersigned, and it is their sole purpose in writing this letter to notify the San Francisco Oakland Terminal Rys. Co., a corporation, of the said action taken by the members of our Association and particularly to notify the company that the agreement or contract made and entered into on the 29th day of February, 1908, is no longer binding upon either the officers or the members of our Association."

Letter of Committee dated September 22, 1915.

"It goes without saying therefore, that if the contract is to be broken, it will be a gratuitous act upon the part of the Company and in no wise be aided, or abetted, or countenanced by the officers of the Union. The fact that we have protested against certain things which have been done which are contrary to the letter and spirit of the contract can in no wise be held that we, as a Union, have abrogated or set aside or relinquished our rights under the contract."

From the foregoing, the Company assumes your position now to be that the contract in question is still in force, and we will, therefore, approach the matter in controversy on the basis of that agreement.

Your request for a conference with the Board of Directors on various "unadjusted grievances" is confusing, inasmuch as it suggests that there are several questions at issue. As a matter of fact, a careful examination of the whole situation as revealed in the correspondence, and in the official report of a recent meeting of your Association, published in the "Tri-City Labor Review" of September 17, 1915, reduces the number of alleged grievances to one, namely, the discharge of two deckhands more than a month ago for cause.

Section I of the agreement between the Company and your Association prescribes the manner and procedure of bringing grievances before the Company. In reply to your general statements, to the effect that the officers of the Company have in the past repeatedly refused to receive representatives of your Association, that the Company has repeatedly violated its contract obligations, and that it has construed the agreement as it pleased and against your protests, I beg to refer you to your own records, which will show that only twice within the last four years have grievances been appealed to the Board of Directors in accordance with the provisions of the agreement, all other matters having been adjusted by the operating officers of the Company. One of these appeals, the "closed shop" petition, was heard at length by

the Board on July 16, 1915, and was definitely settled. The only other grievance brought before the Board of Directors is the matter of the two deckhands.

This issue was definitely localized in your own words in the authorized account of the meeting of your Association when a strike vote was taken a week ago, as follows:

"Right here, the men want it distinctly understood there has been no demand made for an increase in wages or change in working conditions, nor was any such changes contemplated. The matter hinges entirely upon the unjust discharge of these two men for joining the Union, and if allowed to stand unchallenged would mean the eventual disruption of the Union, and this seems to have been fully realized by the men as indicated by the vote." (This quotation is part of an article in the "Tri-City Labor Review" of September 17, 1915, affirmed as "true and accurate in every detail" by your Committee.)

With respect to this matter, the Company has already defined its position in a letter addressed to your committee on August 25th last in response to your request for a conference. The conference was not arbitrarily refused, as has been charged. On the other hand, it was pointed out very clearly that no basis for such a discussion existed because the case of the deckhands did not come within the terms of the agreement. Our letter also stated positively that the men had been discharged for adequate cause and had not been discriminated against. The following quotation is from our letter of August 25th covering these points:

"It is the settled policy of this company and its officers to treat all employees fairly and liberally and without discrimination irrespective of any agreement. The deckhands you refer to in your communication were discharged for adequate causes and the reason for their discharge was frankly stated to representatives of your Association by Captain Rasmusen, who has jurisdiction in the matter.

"This is entirely apart from the fact that it appears both from historical testimony and from a careful study of the context of the agreement of February 29, 1908, between your Association and this Company, that said agreement is one between the trainmen employed by the company and the company and that, with the exception of track oilers specifically referred to in the agreement, it is not intended to and does not include in its provisions employees other than trainmen."

There is involved in these two cases a further consideration of the highest importance, namely, the duty of the company to provide a safe transportation service for the convenience of the public. The protection of lives and property, especially on water craft operated under regulations of the United States Government, requires the maintenance of strict discipline, which of necessity implies the right on the part of the company to discharge or otherwise punish those employees who do not obey the reasonable rules laid down for their guidance and control and for the safety and comfort of passengers. This right is the foundation of the company's guarantee to the public.

As in the case of members of your Association properly coming within the agreement, the company has been careful to collect and preserve the evidence. One of the men was discharged for insubordination and neglect of duty and the other for using vulgar

and profane language in the presence of passengers. The record is clear as to the facts in each case. The members of your committee, or any other employees of the company, are invited to inspect that evidence in the General Manager's office and satisfy themselves as to the fairness of the Company's action, whether construed under the existing agreement or on the broad grounds of the relationship of employer and employee. In the case of carmen coming within the scope of the agreement a certain procedure is prescribed and has always been adhered to by the company. In the cases at issue, substantially the same result is achieved by laying the full record before you.

Yours very truly,

SAN FRANCISCO-OAKLAND TERMINAL RAILWAYS.
G. K. WEEKS,
President.

LETTER X.

AMALGAMATED ASSOCIATION OF STREET AND ELECTRIC RAILWAY EMPLOYEES OF AMERICA.

Division 192.

Oakland-Richmond.

Oakland, Cal., Sept. 28, 1915.

Mr. G. K. Weeks,
President, San Francisco and Oakland Terminal R. R. Co.,
Dear Sir:

We hereby offer to submit to arbitration the proposition as to whether the agreement dated Oakland, February 29, 1908, includes employees other than the track-oilers and platform men.

Respectfully submitted,

KEY DIVISION GRIEVANCE COMMITTEE.

ROBERT BENDLE, Chairman.

BEN BOWBEER.

LEE F. LAYTHAM.

R. J. SCOTT,

Sec. Treas. & Bus. Agt. Div. No. 192.

LETTER XI.

SAN FRANCISCO-OAKLAND TERMINAL RAILWAYS.

Oakland, Cal., October 1, 1915.

Amalgamated Association of Street and Electric Railway Employees, Division No. 192, 387 Twelfth Street, Oakland, California.

Gentlemen:

I am instructed by the unanimous vote of the Board of Directors of the San Francisco-Oakland Terminal Railways to communicate to you their reply to your letter of September 28, 1915, proposing "to submit to arbitration the proposition as to whether the agreement dated Oakland, February 29, 1908, includes employees other than the track-oilers and platform men."

Ostensibly any proposal to arbitrate is reasonable, but in your proposal there is a concealed demand for an extension of this contract which the parties, for more than seven and one-half years, have treated uniformly as applying only to platform men and track oilers, so that it shall be made to apply to every class of this Company's employees, including deckhands, track laborers.

and even such confidential employees as stenographers, clerks and telephone operators

A proper discussion of the full force of your demand necessarily involves a review of the relations which have existed between us.

As already indicated, the contract between your Union and this Company, which designates the classes of employees to which it relates, has been in effect for more than seven and one-half years. During that time it has proved itself to be an instrument under which the men and the Company could work harmoniously. It contains provisions giving full recognition to your Union and provides for a ready method of settling disputes arising under its terms, and grievances covered by it have heretofore been readily adjusted. It provides a schedule of wages and of hours more favorable than that granted by any other railway privately operated in this country under similar conditions.

So long as a sincere desire has existed in the minds of the parties to it harmoniously to operate under it, no difficulty has been experienced in doing so. We are pleased to bear testimony to the fact that such a spirit has been manifested by our men for years, and, we confidently believe, is still entertained by the rank and file of your Union. On the part of the Company evidences are not wanting of its sincere desire to continue such relations. There could be no better proof of this than a statement of the high wages which the Company pays, as compared with the ruling wage for similar employment on like systems. The wage schedule fixed in this contract is as follows:

MOTORMEN AND CONDUCTORS.

Traction Division.		Key Division.	
1 year or less.....	30c per hour	1 year or less.....	38c per hour
Bet. 1 and 2 yrs....	31c per hour	Bet. 1 and 2 yrs....	40c per hour
Bet. 2 and 3 yrs....	32c per hour	Bet. 2 and 3 yrs. and	
Bet. 3 and 4 yrs....	33c per hour	over	42c per hour
Bet. 4 and 5 yrs....	34c per hour		
Bet. 5 and 6 yrs....	35c per hour		
Bet. 6 and 7 yrs....	36c per hour		
Bet. 7 and 8 yrs....	37c per hour		
Bet. 8 and 9 yrs....	38c per hour		
Bet. 9 and 10 yrs...	39c per hour		
Over 10 yrs. in service	40c per hour		

COLLECTORS.

Same as Oakland Traction Company Motormen and Conductors.

TRACK OILERS.

\$2.25 per day.

This is a constantly increasing scale and gives men who have been in the service of the traction lines for ten years approximately \$4.00 per day, and men in the employ of the Key Division for three years as high as \$4.20 per day. There are now in the employ of the Company, covered by this contract, in excess of 900 platform men, of whom 55 per cent receive from 30 cents to 34 cents per hour, and 45 per cent receive from 35 cents to 42 cents per hour. Wages for similar employment on other lines range from 20 cents to 35 cents per hour. A faithful observance of the terms of this contract is costing this Company over \$200,000 per annum, and has cost not less than \$1,500,000 since the

contract has been in effect, over and above the actual value of the services rendered as measured by wage scales obtaining elsewhere under less favorable living conditions.

Nor is the evidence that the Company is sincerely endeavoring to keep its part of the contract closed by this statement alone. Not only has it cost the Company such excessive payments in wages during that time, but of late years the earnings of the Company have not justified such payments. You are surely aware of the Company's financial condition. No dividends are being paid to its stockholders. Interest on its bonds is in default. Notes aggregating \$3,600,000 have matured and remain unpaid. Municipalities are demanding street repairs and growing localities are demanding extensions and increased service which cannot be provided for lack of funds. Trade creditors have been compelled to wait. Jitney competition has cut into our revenues. Yet through all of this, not only has this high wage scale been maintained, to the benefit of the members of your Union, but, under the terms of the contract, the provisions of which you are now questioning, wages are steadily increased. The Company has at great sacrifice and under distressing conditions, performed its contract. This must be admitted.

We cannot but believe that these efforts of the Company have met with some measure of appreciation among its employees; and that the great body of the members of your Union are entirely satisfied with the conditions under which they are working, and with the treatment they are receiving from the Company.

During recent months, however, we have observed with regret, a tendency on the part of certain leaders of your Union to bring on controversies with the Company. This first took form in a demand presented by a Grievance Committee of your Union, that the Board of Directors of the Company should grant a hearing on the question whether this contract should or should not be so interpreted as to require all employees to join your Union as a condition of continuing in the employ of the Company. This demand was accompanied by a notice that unless it was complied with within 24 hours "a midnight meeting of all members of this division will be called to decide upon further action." (Letter of June 16, 1915, signed "R. J. Scott, Business Agent, Sec.-Treas.") The demand was not complied with but an audience was given to your full committee on July 16, 1915, at which time, after extended discussion, it was made plain to your Committee that the agreement expressly recognized the principle of the "open shop", and that the refusal of the Company to grant "closed shop" did not constitute a grievance coming within the terms of the agreement. Your Committee accepted this conclusion and it was thought that the agitation would cease.

Shortly thereafter, however, an attempt was made by your Grievance Committee to interfere in the matter of the discharge of two deckhands employed on the Company's ferry boats which are operated under the regulations of the United States Government. One of these deckhands, as you have been heretofore advised, was dismissed for neglect of duty and insubordination, and the other for the use of profane language in the presence of passengers. This brought the attention of the Board of Directors, for the first time, to the fact that your organization had been secretly extending its membership so as to include all of the employees of the Company, and that the discharged deckhands had been recently elected members of your Union.

During the seven and one-half years that the contract has been in effect, no claim had ever before been asserted that its provisions covered the employment or discharge of deckhands, nor had any attempt ever been made to include them in the membership of your Union. The causes which led to the dismissal of these men were laid candidly before the members of your Committee. They were advised that strict discipline was essential to the proper navigation of our boats and the safety of the traveling public; that these men could not, therefore, be retained in the service.

A request was then made for a hearing and on September 28, 1915, after somewhat extended correspondence, certain members of your Committee were met by officers of the Company and were again informed of the conditions under which the discharges had taken place and the impossibility of reinstatement. Their attention was called to the fact that your Union has no right of interference between the Company and its employees except such as is given by the terms of the contract; that the contract in express terms refers only to the wages, hours of labor and conditions of employment of motormen, conductors, collectors and track-oilers, and that it does not refer to or cover deckhands, or any other class of employees. The members of your Committee acquiesced in the view that their authority to confer with the Company on grievances suffered by members of the Union was based on the contract and that independent of its provisions the Company was at liberty to employ and discharge men at its discretion. It was contended, however, that the provisions of the contract cover deckhands, and that the Committee was privileged to question the cause of discharge of any deckhands who had been made members of your Union. The reasons why the contract did not cover deckhands were then stated by the officers of the Company and are now repeated.

The contract, when entered into, had for its purpose the fixing of the wages, hours of labor and conditions under which the employees covered by it should follow their employment. Wages, hours and conditions of employment, in so far as they affected motormen, conductors, collectors and track-oilers, were fixed by its terms. That would indeed be a peculiar contract which assumed to control the relations between employee and employer, but which did not deal with wages, hours or conditions of employment. The contract of February 29, 1908, makes no reference whatever to deckhands, nor were any wages, hours or conditions of employment specified as to them. If the contract were to be held to cover them, deckhands would be without any protection as to wages, hours or conditions of employment. It is impossible to imagine such a contract, and small purpose would be served in bringing this class of employees under a contract so barren of any provision for their benefit.

It has heretofore been further pointed out to the members of your Committee that the contract bears internal evidence that it was not intended to so apply. It refers to seniority in service and fixes wages on that basis. Deckhands are without such seniority, and even if they had it, no wage is fixed to which it might apply. It specifies the length of "runs", which is a term applying only to the traction and interurban lines and has no reference to floating equipment, upon which the deckhands are employed. It specifies a penalty for "oversleeps", for which the deckhand is not held to account. Many other evidences to be gathered from the terms of the instrument itself have convinced

the officers of the Company that the contract was never designed to refer to deckhands.

Furthermore, as we have indicated, for over seven and one-half years no attempt has ever been made by your Union to include deckhands in its membership. During all that time, the acts of both parties to the contract have proceeded on the view that deckhands were not covered by the provisions of the contract. At the time of entering into this contract, your Union did not include these men and in consequence no provision was made affecting their relations with the Company.

There are many reasons why these men should not be included in a contract made with a carmen's Union. They are not railroad men in any sense of the term; they are not required to possess any of the qualifications of railroad men; they are not required to know anything respecting railroading. There is no more reason why deckhands on a ferryboat should be included in a carmen's Union, than there is to include sailors on a deep sea vessel within the membership of the Brotherhood of Locomotive Engineers. It must be apparent to you that had demand been made upon the then officials of the railway at the time this contract was being prepared, that deckhands should be included in its provisions, they would have refused to surrender the right to require on the ferryboats of the Company an immediate and implicit obedience to orders. In the operation of these boats carrying great numbers of passengers and requiring the utmost skill and care on the part of officers and men, if safety is to be insured, no question of obedience to orders can be permitted to come between the Captain and his crew.

This somewhat extended discussion of the nature of the contract is included here in order that the position of the Company with respect to your proposal may be made clear.

What you propose to arbitrate is in no sense a grievance. It is a demand which contemplates an extension of the authority of your Union, far beyond the limits of the present contract. That you are seeking to amend the agreement in such a way as to include within its scope all of the employees of the Company, regardless of the nature and conditions of their work, is made plain by the following excerpts from the stenographic report of the conference between certain members of your Committee and officers of the Company on the morning of September 28th:

MR. BOWBEER—The policy of the Amalgamated Association is to take in all employees that are not claimed by other crafts. If we have not seen fit to extend and embrace these other employees prior to this time it has just been a matter of opinion of the members of the organization, but some months ago a matter was brought to the attention of the organization that the shopmen were not organized and that the deckhands on the boats were not organized, and that clerks and ticket-takers were not organized and the order was given by the division to see if we could not get these men into the organization, which has been undertaken.

MR. WEEKS—And so you expect to get the clerks and stenographers and telephone operators in, too?

MR. BOWBEER—That certainly would be our intention to take in every employee, that is the policy of the Amalgamated Association, to take every employee that is not claimed by some other organization as craftsmen in that other organization.

Your demand, therefore, is not for an interpretation of the existing agreement but for a new agreement that shall include

under its terms all classes of employees, stenographers, clerks, deckhands, telephone operators and others. This matter is of such far reaching consequence that the officers of the Company cannot consent to abdicate their authority in favor of any outside arbitration committee or any one else not familiar with the property and the problems connected with its management.

The position occupied by the present Board of Directors of the Company is such as to place upon them a greater responsibility than that which usually rests upon corporation officers. They were induced by the financial problems of this Company to lend their services in the administration of its affairs. They have the welfare of the East Bay Cities at heart and are anxious to so readjust the affairs of the Company as to permit it to afford the transportation facilities essential to the continued growth of the communities.

As such trustees they feel that it is reasonable to ask you, the employees of this Company and residents of the communities through which it operates, who through a constantly increasing wage scale are enjoying the greatest benefits from its earnings, to give them your assistance in their task and the same loyal support in the future that you have in the past. This matter is too serious to be lightly dealt with, and we believe your good judgment will restrain any hasty action that would involve the Company, yourselves and the community at large in the calamity of a strike, with its attendant inconvenience, loss and distress.

Yours very truly,

SAN FRANCISCO-OAKLAND TERMINAL RAILWAYS,
By G. K. Weeks, President.

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